

**U.S. Chamber of Commerce**  
**Association of American Chambers of Commerce in Latin America**  
**U.S. Section of the Brazil-U.S. Business Council**  
**Recommendations for the Services Negotiating Group**

The U.S. Chamber of Commerce, the Association of American Chambers of Commerce in Latin America (AACCLA), and the U.S. Section of the Brazil-U.S. Business Council welcome this opportunity to present our views on the emerging Free Trade Area of the Americas (FTAA). We strongly support free trade in the hemisphere, and we have submitted recommendations to Western Hemisphere national governments, the Committee of Government Representatives on the Participation of Civil Society and to the previous seven meetings of the Americas Business Forum giving our perspective on how the agreement should be framed.

Specifically we recommend that the governments in the hemisphere agree during the Miami FTAA Ministerial to take the following actions to build a strong foundation for the final FTAA Agreement, including endorsing the following measures:

- The FTAA countries should negotiate liberalization of services according to a top-down ("negative list") approach, whereby all sectors are liberalized except where a particular FTAA country negotiates a reservation for a particular sector or measure. (Art. 1.2, Scope and Coverage)
- The FTAA Agreement should provide for an obligation for an FTAA Party to: 1) remove quantitative restrictions; 2) guarantee access to and use to publicly-provided telecommunications networks; and 3) not impose local presence requirements (for example, a representative office or any form of company) in its territory as a condition for the cross-border provision of a service. (Art. 7.2, 7.3)
- With respect to the proposal to include labor standards in the text of the FTAA — a subject discussed in the services negotiating group — we wish to register our opposition. Nearly all economists agree that trade liberalization raises incomes, and higher incomes lead in turn to improvements in labor standards. Efforts to block trade liberalization in the interest of promoting workers' rights fly in the face of these facts. All too often, calls for trade-linked mechanisms to enforce labor standards are simply protectionism by another name. In fact, advocates of labor rights often seek to restrain trade in the very sectors where Latin America's economies are at their most competitive. Thus, while we support efforts to improve working conditions and ensure workers' rights, it is not appropriate to address this issue in the text of a trade agreement. (General Exceptions #3)
- Potentially, even before completion of the FTAA Agreement, the FTAA countries should encourage the use of the WTO Guidelines for Mutual Recognition Agreements in Accounting by responsible authorities within the Western Hemisphere for the development of sector-specific agreements on mutual recognition of equivalency of licensing and qualification requirements for professions (e.g., architecture, engineering, and accountancy), where appropriate. (Relation with Other International Organization)
- At the earliest possible date — and potentially even before completion of the FTAA Agreement — we would like to support the creation of the proposed "FTAA Visa", established during the 2001 services workshop at the VI Americas Business Forum.

Furthermore, the FTAA countries should agree to provide business visa treatment on a most-favored nation basis to all FTAA countries including the implementation of simplified procedures for temporary entry of business people, establishing multiple entry visas as the norm and eliminating special requirements for those providing technical assistance. (Temporary Entry of Business Persons, General Obligations)

- The FTAA countries should indicate implementation dates for each of two phases of the Inter-American Telecommunications Commission (CITEL) mutual recognition agreement (MRA) for conformity assessment of telecommunication equipment. (Temporary Entry of Business Persons, General Obligations)
- The FTAA Agreement should recognize Express Delivery Services as a distinct service sector. (Art. 1, Scope and Sectoral Coverage)
- The FTAA countries should recommit themselves to the complete and rapid implementation of the customs-related business facilitation measures adopted at the 1999 Toronto Trade Ministerial. The business facilitation process is an essential part of the FTAA, and implementation of the business facilitation measures should remain a priority in the FTAA process. (Market Access, Access and Use)
- The FTAA Agreement should prohibit quantitative restrictions on the provision of services to those services sectors or methods of provision of services for which the parties have entered into liberalization commitments. (Art. 7.1, Market Access)
- The disciplines established by the FTAA Agreement should apply to all segments of the services sector with no discrimination against new and evolving services, as well as to all their modes of provision. (Art. 1.2, Scope and Sectoral Coverage)

**We would like to underscore the importance of — and reiterate our support for — the following recommendations, which were endorsed at previous Americas Business Forums:**

- We support the recommendation, established during the VI Americas Business Forum 2001 services negotiation workshop, that the principles of most-favored nation (MFN) treatment and national treatment should be the rule for the FTAA Agreement's provisions related to all service sectors and service suppliers. As we understand, MFN treatment would mean treatment that is no less favorable than the treatment a Party to the FTAA Agreement provides, in like circumstances, to service suppliers of another country, whether or not that country is a Party to the FTAA Agreement. National treatment would mean treatment that is no less favorable than the treatment an FTAA country provides, in like circumstances, to its own service suppliers. (Art. 2.1, Art. 5.1, MFN and National Treatment)
- We would like to express our support for the continued liberalization in telecommunications services including provisions outlined in the WTO Basic Telecommunications Reference Paper as recommended in the VI Americas Business Forum 2001 services negotiation workshop, in order to elevate commitments among all 34 FTAA countries and foster effective implementation of the pro-competitive regulatory principles set forth in the WTO agreement. (Art. 1.1, Scope and Sectoral Coverage)
- We support the incorporation of a framework for transparency within the FTAA, as recommended by the 2001 services negotiation workshop at the VI Americas Business Forum, which ensures that laws, regulations, and procedures affecting trade in services are promptly published or otherwise made available to the private sector,

with appropriate opportunity for advance comment by interested parties. Additionally however, the FTAA countries should take the necessary steps to ensure transparent and timely authorization procedures, where authorization is required to supply a service. (Art. 3.1, Transparency)

- The FTAA Services Agreement should not exclude any sector on an a priori basis. (Art. 1.2, Scope and Coverage)